



EUROPEAN COMMISSION

Directorate-General Enlargement

D - Financial Instruments and Regional Programmes

D4 Institution Building

2008 GOVERNANCE OVERVIEW for CROATIA*

Some progress has been made on public administration reform. The government adopted a Public Administration Reform for the period 2008-2011 as well as a proposal for a revised General Administrative Procedures Act in September 2008.

Civil Service: Implementing legislation for the Law on Civil Service was adopted. The law itself was further amended to allow for the planned de-politicisation and to introduce whistleblower protection. The number of staff in the Central State Office for Administration was increased. Also, the 2008 Civil Service Training Plan was adopted. Major weaknesses in administrative procedures remain and an overhaul of the relevant legislation is still pending. The Civil Service Law is not implemented coherently across the state administration. The process of de-politicisation of public administration is still at an early stage. High staff turnover and lack of qualified personnel remain problematic points.

Anti-corruption policy: There has been some progress in this area, although corruption still remains widespread. A revised Anti-Corruption Strategy accompanied by an Action Plan was adopted in June 2008. It contains specific measures in a number of fields prone to corruption. The administrative capacity of state bodies for fighting corruption continues to be insufficient. The police need to become more effective in the fight against corruption and organised crime. High level corruption needs to be addressed.

Public procurement: The overall public procurement has been improving. The new Public Procurement Act entered into force in January 2008 bringing the national legislation further in line with the *acquis* in terms of the award of public contract and remedies. Also, the new Concessions Act was adopted. The necessary institutional set up was established making the management of public procurement policy more coherent and in a co-ordinated approach. Further legislative alignment is needed and administrative capacity remains to be improved at all levels of the procurement system. Emphasis should be put on proper and effective implementation of the new Public Procurement Act.

Public Internal Financial Control (PIFC): Good progress can also be reported in this field. In July 2008, the new Budget Law was adopted, removing inconsistency with provisions of the PIFC law. The Croatian government adopted an independent development strategy on PIFC for local and regional self-government units. A Code of Ethics for Internal Auditors was approved in January 2008. As regards the institutional framework, the responsibilities of the Central Harmonisation Unit (CHU) have been further streamlined and enhanced. However, the capacity of the CHU and all budget users at central and local levels needs to be strengthened.

Twinning and SIGMA Co-ordination Team

* Source: Croatia 2008 Progress Report, {COM(2008) 674}, 5/11/2008